

108TH CONGRESS  
1ST SESSION

# S. 1411

To establish a National Housing Trust Fund in the Treasury of the United States to provide for the development of decent, safe, and affordable housing for low-income families, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 15, 2003

Mr. KERRY (for himself and Mr. CHAFEE) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To establish a National Housing Trust Fund in the Treasury of the United States to provide for the development of decent, safe, and affordable housing for low-income families, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “National Affordable  
5       Housing Trust Fund Act of 2003”.

6       **SEC. 2. PURPOSES.**

7       The purposes of this Act are—

1           (1) to fill the growing gap in the national abil-  
 2           ity to build affordable housing by using profits gen-  
 3           erated by Federal housing programs to fund addi-  
 4           tional housing activities, and not supplant existing  
 5           housing appropriations;

6           (2) to enable rental housing to be built for  
 7           those families with the greatest need in areas with  
 8           the greatest opportunities in mixed-income settings  
 9           and to promote homeownership for low-income fami-  
 10          lies; and

11          (3) to provide for approximately 1,500,000 ad-  
 12          ditional affordable, low-income housing units over  
 13          the next 10 years.

14 **SEC. 3. DEFINITIONS.**

15          (a) DEFINITIONS.—In this Act:

16           (1) ADJUSTED INCOME.—The term “adjusted  
 17           income” has the same meaning as in section 3(b) of  
 18           the United States Housing Act of 1937 (42 U.S.C.  
 19           1437a(b)).

20           (2) AFFORDABLE HOUSING.—The term “afford-  
 21           able housing” means housing for rental that bears  
 22           rents not greater than the lesser of—

23                   (A) the existing fair market rent for com-  
 24                   parable units in the area, as established by the

Secretary under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f); or

(B) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with an adjustment for the number of bedrooms in the unit, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the findings of the Secretary that such variations are necessary because of the prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(3) CONTINUED ASSISTANCE RENTAL SUBSIDY PROGRAM.—The term “continued assistance rental subsidy program” means a program under which—

(A) project-based assistance is provided for not more than 3 years to a family in an affordable housing unit that was developed with assistance made available under subsection (b) or (c) of section 5 in a project that partners with a public housing agency, which agency agrees to provide the assisted family with a priority for the receipt of a voucher under section 8(o) of

the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) if the family chooses to move after an initial year of occupancy and the public housing agency agrees to refer eligible voucher holders to the property when vacancies occur; and

(B) after 3 years, subject to appropriations, continued assistance is provided under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), notwithstanding any provision to the contrary in that section, if administered to provide families with the option of continued assistance with tenant-based vouchers, if such a family chooses to move after an initial year of occupancy and the public housing agency agrees to refer eligible voucher holders to the property when vacancies occur.

(4) ELIGIBLE ACTIVITIES.—The term “eligible activities” means activities relating to the development of affordable housing, including—

(A) the construction of new housing;

(B) the acquisition of real property;

(C) site preparation and improvement, including demolition;

1 (D) substantial rehabilitation of existing  
2 housing; and

3 (E) rental subsidy, in the same manner as  
4 voucher assistance under section 8(o)(13) of the  
5 United States Housing Act of 1937 (42 U.S.C.  
6 1437f(o)(13)).

7 (5) ELIGIBLE ENTITY.—The term “eligible enti-  
8 ty” includes any public or private nonprofit or for-  
9 profit entity, regional planning entity, and any other  
10 entity engaged in the development of affordable  
11 housing, as determined by the Secretary.

12 (6) ELIGIBLE INTERMEDIARY.—The term “eli-  
13 gible intermediary” means—

14 (A) a nonprofit community development  
15 corporation;

16 (B) a community development financial in-  
17 stitution (as defined in section 103 of the Com-  
18 munity Development Banking and Financial In-  
19 stitutions Act of 1994 (12 U.S.C. 4702));

20 (C) a State or local trust fund;

21 (D) any entity eligible for assistance under  
22 section 4 of the HUD Demonstration Act of  
23 1993 (42 U.S.C. 9816 note);

24 (E) a national, regional, or statewide non-  
25 profit organization; and

1 (F) any other appropriate nonprofit entity,  
2 as determined by the Secretary.

3 (7) EXTREMELY LOW-INCOME FAMILIES.—The  
4 term “extremely low-income families” means very  
5 low-income families (as defined in section 3(b) of the  
6 United States Housing Act of 1937 (42 U.S.C.  
7 1437a(b)) whose incomes do not exceed 30 percent  
8 of the median family income for the area, as deter-  
9 mined by the Secretary with adjustments for smaller  
10 and larger families, except that the Secretary may  
11 establish income ceilings higher or lower than 30  
12 percent of the median for the area on the basis of  
13 the findings of the Secretary that such variations  
14 are necessary because of unusually high or low fam-  
15 ily incomes.

16 (8) LOW-INCOME FAMILIES.—The term “low-in-  
17 come families” has the same meaning as in section  
18 3(b) of the United States Housing Act of 1937 (42  
19 U.S.C. 1437a(b)).

20 (9) SECRETARY.—The term “Secretary” means  
21 the Secretary of Housing and Urban Development.

22 (10) STATE.—The term “State” has the same  
23 meaning as in section 3(b) of the United States  
24 Housing Act of 1937 (42 U.S.C. 1437a(b)).

1           (11) UNIT OF GENERAL LOCAL GOVERN-  
 2           MENT.—The term “unit of general local govern-  
 3           ment” means—

4                   (A) a city, town, township, county, parish,  
 5                   village, or other general purpose political sub-  
 6                   division of a State;

7                   (B) the Federated States of Micronesia  
 8                   and Palau, the Marshall Islands or a general  
 9                   purpose political subdivision thereof;

10                  (C) a consortium of such political subdivi-  
 11                  sions recognized by the Secretary in accordance  
 12                  with section 216(2) of the Cranston-Gonzalez  
 13                  National Affordable Housing Act (42 U.S.C.  
 14                  12704); and

15                  (D) any agency or instrumentality thereof  
 16                  that is established pursuant to legislation and  
 17                  designated by the chief executive to act on be-  
 18                  half of a State or other jurisdiction with regard  
 19                  to the provisions of this Act

20                  that is a participating jurisdiction as described in  
 21                  sections 216 and 217 of the Cranston-Gonzalez Na-  
 22                  tional Affordable Housing Act (42 U.S.C. 12704).

23 **SEC. 4. NATIONAL HOUSING TRUST FUND.**

24           (a) ESTABLISHMENT OF TRUST FUND.—There is es-  
 25           tablished in the Treasury of the United States a trust fund

1 to be known as the “National Affordable Housing Trust  
2 Fund” (referred to in this Act as the “Trust Fund”) for  
3 the purpose of promoting the development of affordable  
4 housing.

5 (b) DEPOSITS TO THE TRUST FUND.—For fiscal  
6 year 2003, and each fiscal year thereafter, there is appro-  
7 priated to the Trust Fund an amount equal to the sum  
8 of—

9 (1) any revenue generated by the Mutual Mort-  
10 gage Insurance Fund of the Federal Housing Ad-  
11 ministration in excess of the amount necessary for  
12 the Mutual Mortgage Insurance Fund to maintain a  
13 capital ratio of 3 percent for the preceding fiscal  
14 year; and

15 (2) any revenue generated by the Government  
16 National Mortgage Association in excess of the  
17 amount necessary to pay the administrative costs  
18 and expenses necessary to ensure the safety and  
19 soundness of the Government National Mortgage As-  
20 sociation for the preceding fiscal year, as determined  
21 by the Secretary.

22 (c) EXPENDITURES FROM THE TRUST FUND.—For  
23 fiscal year 2003, and each fiscal year thereafter, amounts  
24 appropriated to the Trust Fund shall be available to the



1 Secretary of Housing and Urban Development for use in  
2 accordance with section 5.

3 **SEC. 5. ADMINISTRATION OF NATIONAL AFFORDABLE**  
4 **HOUSING TRUST FUND.**

5 (a) ALLOCATION.—

6 (1) IN GENERAL.—For fiscal year 2003, and  
7 each fiscal year thereafter, of the total amount made  
8 available to the Secretary from the Trust Fund  
9 under section 4(c), the Secretary shall allocate—

10 (A) 75 percent to award grants to States  
11 and units of general local government in ac-  
12 cordance with paragraph (2) and subsection  
13 (b); and

14 (B) 25 percent to award grants to eligible  
15 intermediaries in accordance with subsection (c)  
16 of this section.

17 (2) ALLOCATION TO STATES AND UNITS OF  
18 GENERAL LOCAL GOVERNMENT.—Of the funds allo-  
19 cated under paragraph (1)(A), the Secretary shall  
20 allocate 60 percent of the amount to units of general  
21 local government and 40 percent to States.

22 (b) GRANTS.—

23 (1) IN GENERAL.—Subject to paragraph (2),  
24 from the amount made available for each fiscal year  
25 under subsection (a)(1), the Secretary shall award

1 grants to States and units of general local govern-  
2 ment, in accordance with an allocation formula es-  
3 tablished by the Secretary, that is based on the pro  
4 rata share of each State or unit of general local gov-  
5 ernment of the total need among all States or units  
6 of general local government, as applicable, for an in-  
7 creased supply of affordable housing, as determined  
8 on the basis of—

9 (A) the number and percentage of families  
10 in the State or unit of general local government  
11 that live in substandard housing;

12 (B) the number and percentage of families  
13 in the State or unit of general local government  
14 that pay more than 50 percent of their annual  
15 income for housing costs;

16 (C) the number and percentage of persons  
17 living at or below the poverty level in the State  
18 or unit of general local government;

19 (D) the cost of developing or carrying out  
20 substantial rehabilitation of housing in the  
21 State or unit of general local government;

22 (E) the age of the multifamily housing  
23 stock in the State or unit of general local gov-  
24 ernment; and

1 (F) such other factors as the Secretary de-  
 2 termines to be appropriate.

3 (2) GRANT AMOUNT.—

4 (A) IN GENERAL.—The amount of a grant  
 5 award to a State or unit of general local gov-  
 6 ernment under this subsection shall be equal to  
 7 the lesser of—

8 (i) 4 times the amount of assistance  
 9 provided by the State or unit of general  
 10 local government from non-Federal  
 11 sources; and

12 (ii) the allocation determined in ac-  
 13 cordance with paragraph (1).

14 (B) NON-FEDERAL SOURCES.—For pur-  
 15 poses of this section, non-Federal sources shall  
 16 include—

17 (i) 50 percent of the funds allocable to  
 18 tax credits allocated under section 42 of  
 19 the Internal Revenue Code of 1986;

20 (ii) 50 percent of the revenue from  
 21 mortgage revenue bonds issued under sec-  
 22 tion 143 of the Internal Revenue Code of  
 23 1986;

24 (iii) 50 percent of the proceeds from  
 25 the sale of tax exempt bonds;

1 (iv) funds provided under part A of  
 2 title IV of the Social Security Act (42  
 3 U.S.C. 601 et seq.); and

4 (v) such other sources as the Sec-  
 5 retary determines to be appropriate.

6 (3) AWARD OF ALLOCATION TO CERTAIN ENTI-  
 7 TIES.—

8 (A) IN GENERAL.—If the amount provided  
 9 by a State or unit of general government from  
 10 non-Federal sources is less than 25 percent of  
 11 the amount that would be awarded to the State  
 12 or unit of general local government under this  
 13 subsection based on the allocation formula de-  
 14 scribed in paragraph (1), not later than 60 days  
 15 after the date on which the Secretary deter-  
 16 mines that the State or unit of general local  
 17 government is not eligible for the full allocation  
 18 determined under paragraph (1), the Secretary  
 19 shall issue a notice regarding the availability of  
 20 the funds for which the State or unit of general  
 21 local government is ineligible.

22 (B) APPLICATIONS.—Not later than 9  
 23 months after the date of publication of a notice  
 24 of funding availability under subparagraph (A),  
 25 a nonprofit or public entity (or a consortium

1           thereof) may submit to the Secretary an appli-  
2           cation for the available assistance or a portion  
3           of the available assistance, which application  
4           shall include—

5                   (i) a certification that the applicant  
6                   will provide assistance in an amount equal  
7                   to 25 percent of the amount of assistance  
8                   made available to the applicant under this  
9                   paragraph; and

10                  (ii) an allocation plan that meets the  
11                  requirements of paragraph (4)(B) for use  
12                  or distribution in the State of any assist-  
13                  ance made available to the applicant under  
14                  this paragraph and the assistance provided  
15                  by the applicant for purposes of clause (i).

16           (C) AWARD OF ASSISTANCE.—The Sec-  
17           retary shall award the amount that is not  
18           awarded to a State or unit of general local gov-  
19           ernment by operation of paragraph (2) to 1 or  
20           more applicants that meet the requirements of  
21           subparagraph (B) and that are selected by the  
22           Secretary based on selection criteria established  
23           by the Secretary by regulation.

24           (4) DISTRIBUTION TO ELIGIBLE ENTITIES.—

1 (A) IN GENERAL.—Of the amount that a  
2 State or unit of general local government re-  
3 ceives under a grant award under this sub-  
4 section and the assistance provided by the State  
5 or unit of general local government from non-  
6 Federal sources for purposes of paragraph  
7 (2)(A) to eligible entities for the purpose of as-  
8 sisting those entities in carrying out eligible ac-  
9 tivities, each State or unit of general local gov-  
10 ernment shall distribute—

11 (i) not less than 75 percent to eligible  
12 entities for eligible activities relating to the  
13 development of affordable housing for rent-  
14 al by extremely low-income families; and

15 (ii) any amount remaining after a dis-  
16 tribution under clause (i) to eligible enti-  
17 ties for eligible activities in a census tract  
18 described in subsection (c)(3)(B)(ii)(II) re-  
19 lating to the development of affordable  
20 housing for rental by low-income families,  
21 or for homeownership assistance for low-in-  
22 come families.

23 (B) ALLOCATION PLAN.—Each State or  
24 unit of general local government shall establish,  
25 after giving notice to the public, an opportunity

1 for public comment, and consideration of public  
2 comments received, an allocation plan for the  
3 distribution of assistance under this paragraph,  
4 which shall be submitted to the Secretary and  
5 shall be made available to the public by the  
6 State or unit of general local government, and  
7 shall include—

8 (i) application requirements for eligi-  
9 ble entities seeking to receive assistance  
10 under this paragraph, including a require-  
11 ment that each application include—

12 (I) a certification by the appli-  
13 cant that any housing developed with  
14 assistance under this paragraph will  
15 remain affordable for extremely low-  
16 income families or low-income fami-  
17 lies, as applicable, for not less than 40  
18 years;

19 (II) a certification by the appli-  
20 cant that the tenant contribution to-  
21 wards rent for a family residing in a  
22 unit developed with assistance under  
23 this paragraph will not exceed 30 per-  
24 cent of the adjusted income of that  
25 family; and

1 (III) a certification by the appli-  
2 cant that the owner of a project in  
3 which any housing developed with as-  
4 sistance under this paragraph is lo-  
5 cated will make a percentage of units  
6 in the project available to families as-  
7 sisted under the voucher program  
8 under section 8(o) of the United  
9 States Housing Act of 1937 (42  
10 U.S.C. 1437f(o)), either by means of  
11 a contract with a public housing agen-  
12 cy under paragraph (13) of that sec-  
13 tion or on the same basis as other  
14 families eligible for the housing (ex-  
15 cept that only the expected share of  
16 rent of the voucher holder shall be  
17 considered, and the screening criteria  
18 of the owner shall not have a dis-  
19 parate impact on the voucher holder),  
20 which percentage shall not be less  
21 than the percentage of the total cost  
22 of developing or rehabilitating the  
23 project that is funded with assistance  
24 under this paragraph, or 25 percent



1 of the total units in the project,  
 2 whichever is lower; and

3 (ii) factors for consideration in select-  
 4 ing among applicants that meet the appli-  
 5 cation requirements, which shall give pref-  
 6 erence to applicants based on—

7 (I) the amount of assistance for  
 8 the eligible activities leveraged by the  
 9 applicant from private and other non-  
 10 Federal sources, including assistance  
 11 made available under section 8 of the  
 12 United States Housing Act of 1937  
 13 (42 U.S.C. 1437f) that is devoted to  
 14 the project in which the housing to be  
 15 developed with assistance under this  
 16 paragraph is located;

17 (II) the extent of local assistance  
 18 that will be provided in carrying out  
 19 the eligible activities, including—

20 (aa) financial assistance;  
 21 and

22 (bb) the extent to which the  
 23 applicant has worked with the  
 24 unit of general local government  
 25 in which the housing will be lo-

1           cated to address issues of siting  
2           and exclusionary zoning or other  
3           policies that are barriers to af-  
4           fordable housing;

5           (III) the degree to which the de-  
6           velopment in which the housing will  
7           be located is mixed-income;

8           (IV) whether the housing will be  
9           located in a census tract in which the  
10          poverty rate is less than 20 percent;

11          (V) whether the housing will be  
12          located in a community undergoing  
13          revitalization;

14          (VI) the accessibility of jobs, in-  
15          cluding lower skilled jobs, to the  
16          project;

17          (VII) the extent to which the ap-  
18          plicant demonstrates the ability to  
19          maintain units as affordable for ex-  
20          tremely low-income or low-income  
21          families, as applicable, through the  
22          use of assistance made available under  
23          this paragraph, assistance leveraged  
24          from non-Federal sources, assistance  
25          made available under section 8 of the

1 United States Housing Act of 1937  
 2 (42 U.S.C. 1437f), State or local as-  
 3 sistance, programs to increase tenant  
 4 income, cross-subsidization, and any  
 5 other resources; and

6 (VIII) whether the development  
 7 will house families that need not less  
 8 than 3 bedrooms or provide accessible  
 9 units for the disabled, unless the allo-  
 10 cation plan indicates that the State or  
 11 unit of general local government does  
 12 not have a significant need for those  
 13 types of units.

14 (C) FORMS OF ASSISTANCE.—

15 (i) IN GENERAL.—Assistance distrib-  
 16 uted under this paragraph may be in the  
 17 form of capital grants, non-interest bearing  
 18 or low-interest loans or advances, deferred  
 19 payment loans, guarantees, and any other  
 20 form of assistance approved by the Sec-  
 21 retary.

22 (ii) REPAYMENTS.—If a State or unit  
 23 of general local government awards assist-  
 24 ance under this paragraph in the form of  
 25 a loan or other mechanism by which funds

are later repaid to the State or unit of general local government, any repayments received by the State or unit of general local government shall be distributed in accordance with the allocation plan described in subparagraph (B) in the following fiscal year.

(D) COORDINATION WITH OTHER ASSISTANCE.—In distributing assistance under this paragraph, each State or unit of general local government shall, to the maximum extent practicable, coordinate the distribution with the provision of other affordable housing assistance by the State or unit of general local government, including—

(i) housing credit dollar amounts allocated by the State under section 42(h) of the Internal Revenue Code of 1986;

(ii) assistance made available under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.), or the community development block grant program; and

(iii) private activity bonds.

(c) NATIONAL COMPETITION.—

1           (1) IN GENERAL.—From the amount made  
2           available for each fiscal year under subsection  
3           (a)(2), the Secretary shall award grants on a com-  
4           petitive basis to eligible intermediaries, which shall  
5           be used in accordance with paragraph (3) of this  
6           subsection.

7           (2) APPLICATION REQUIREMENTS AND SELEC-  
8           TION CRITERIA.—The Secretary, by regulation, shall  
9           establish application requirements and selection cri-  
10          teria for the award of competitive grants to eligible  
11          intermediaries under this subsection, which criteria  
12          shall include—

13                (A) the ability of the eligible intermediary  
14                to meet the housing needs of low-income fami-  
15                lies on a national or regional scope;

16                (B) the capacity of the eligible inter-  
17                mediary to use the grant award in accordance  
18                with paragraph (3), based on the past perform-  
19                ance and management of the applicant; and

20                (C) the extent to which the eligible inter-  
21                mediary has leveraged funding from private and  
22                other non-Federal sources for the eligible activi-  
23                ties.

24          (3) USE OF GRANT AWARD.—

1 (A) IN GENERAL.—Except as provided in  
 2 subparagraph (B), each eligible intermediary  
 3 that receives a grant award under this sub-  
 4 section shall ensure that, of the amount made  
 5 available under the grant—

6 (i) 75 percent shall be used for eligi-  
 7 ble activities relating to the development of  
 8 affordable housing for rental by extremely  
 9 low-income families; and

10 (ii) 25 percent shall be used for eligi-  
 11 ble activities relating to the development of  
 12 affordable housing for rental by low-income  
 13 families, or for homeownership assistance  
 14 for low-income families.

15 (B) EXCEPTION.—

16 (i) IN GENERAL.—If the amount  
 17 made available under this subsection is  
 18 used for a project described in clause (ii),  
 19 subject to the requirements of subpara-  
 20 graph (A)(i), an eligible intermediary may  
 21 use the grant amount for eligible activities  
 22 relating to the development of housing for  
 23 rental by families whose incomes are less  
 24 than 60 percent of the area median in-  
 25 come, and for homeownership activities for

families whose incomes are less than 80 percent of the area median income.

(ii) PROJECT CONTRIBUTING TO A CONCERTED COMMUNITY REVITALIZATION PLAN.—A project is described in this clause if—

(I) it is located in a community undergoing concerted revitalization and is contributing to a community revitalization plan; and

(II) it is located in a census tract in which—

(aa) the median household income is less than 60 percent of the area median income; or

(bb) the rate of poverty is greater than 20 percent.

(C) PLAN OF USE.—Each eligible intermediary that receives a grant award under this subsection shall establish a plan for the use or distribution of the amount made available under the grant, which shall be submitted to the Secretary, and which shall include information relating to the manner in which the eligible inter-

mediary will either use or distribute that amount, including—

(i) a certification that assistance made available under this subsection will be used to supplement assistance leveraged from private and other non-Federal sources, including assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) that is devoted to the project in which the housing to be developed is located;

(ii) a certification that local assistance will be provided in carrying out the eligible activities, which may include—

(I) financial assistance; and

(II) a good faith effort to work with the unit of local government in which the housing will be located to address issues of siting and exclusionary zoning or other policies that are barriers to affordable housing;

(iii) a certification that any housing developed with assistance under this subsection will remain affordable for extremely



1 low-income families or low-income families,  
2 as applicable, for not less than 40 years;

3 (iv) a certification that any housing  
4 developed by the applicant with assistance  
5 under this subsection will be located—

6 (I) in a mixed-income develop-  
7 ment in a census tract having a pov-  
8 erty rate of not more than 20 percent,  
9 and near employment and other op-  
10 portunities for low-income families; or

11 (II) in a community undergoing  
12 revitalization;

13 (v) a certification that the tenant con-  
14 tribution towards rent for a family residing  
15 in a unit developed with assistance under  
16 this paragraph will not exceed 30 percent  
17 of the adjusted income of that family; and

18 (vi) a certification by the applicant  
19 that the owner of a project in which any  
20 housing developed with assistance under  
21 this subsection is located will make a per-  
22 centage of units in the project available to  
23 families assisted under the voucher pro-  
24 gram under section 8(o) of the United  
25 States Housing Act of 1937 (42 U.S.C.

1437f(o)), either by means of a contract with a public housing agency under paragraph (13) of that section or on the same basis as other families eligible for the housing (except that only the expected share of rent of the voucher holder shall be considered, and the screening criteria of the owner shall not have a disparate impact on the voucher holder), which percentage shall not be less than the percentage of the total cost of developing or rehabilitating the project that is funded with assistance under this subsection, or 25 percent of the total units in the project, whichever is lower.

(D) FORMS OF ASSISTANCE.—

(i) IN GENERAL.—An eligible intermediary may distribute the amount made available under a grant under this subsection in the form of capital grants, non-interest bearing or low-interest loans or advances, deferred payment loans, guarantees, and other forms of assistance.

(ii) REPAYMENTS.—If an eligible intermediary awards assistance under this

subsection in the form of a loan or other mechanism by which funds are later repaid to the eligible intermediary, any repayments received by the eligible intermediary shall be distributed by the eligible intermediary in accordance with the plan of use described in subparagraph (C) in the following fiscal year.

(d) TREATMENT UNDER THE INTERNAL REVENUE CODE.—

(1) IN GENERAL.—Assistance provided under this Act with respect to any building shall not be taken into account under section 42(i)(2)(D) of the Internal Revenue Code of 1986, if 40 percent or more of the residential units in the building are occupied by individuals whose income is 50 percent or less of the area median gross income. Section 42(d)(5)(C) of that Code shall not apply to any building to which the preceding sentence applies.

(2) SPECIAL RULE FOR CERTAIN HIGH-COST HOUSING AREAS.—In the case of a building located in a city described in section 142(d)(6) of the Internal Revenue Code of 1986, paragraph (1) shall be applied by substituting “25 percent” for “40 percent”.

1   **SEC. 6. LABOR STANDARDS.**

2       Each eligible entity or eligible intermediary receiving  
3 grant amounts under this Act shall ensure that contracts  
4 for eligible activities assisted with such amounts comply  
5 with the same requirements under section 286 of the  
6 Cranston-Gonzalez National Affordable Housing Act (42  
7 U.S.C. 12836) that are applicable to contracts for con-  
8 struction of affordable housing assisted under such Act.

9   **SEC. 7. REGULATIONS.**

10       Not later than 6 months after the date of enactment  
11 of this Act, the Secretary of Housing and Urban Develop-  
12 ment shall promulgate regulations to carry out this Act,  
13 including requirements relating to the reporting and col-  
14 lection of information necessary to enforce the provisions  
15 of this Act.

16   **SEC. 8. FEDERAL FINANCIAL ASSISTANCE.**

17       For the purpose of applying the prohibitions against  
18 discrimination on the basis of age under the Age Discrimi-  
19 nation Act of 1975 (42 U.S.C. 6101 et seq.), on the basis  
20 of disability under section 504 of the Rehabilitation Act  
21 of 1973 (29 U.S.C. 794), on the basis of sex under title  
22 IX of the Education Amendments of 1972 (20 U.S.C.  
23 1681 et seq.), or on the basis of race, color, or national  
24 origin under title VI of the Civil Rights Act of 1964 (42  
25 U.S.C. 2000d et seq.), programs and activities funded or  
26 otherwise financially assisted in whole or in part under

1 this Act are considered to be programs and activities re-  
2 ceiving Federal financial assistance, and education pro-  
3 grams and activities receiving Federal financial assistance.

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